

CHILD SUPPORT ENFORCEMENT

Subrecipient Self-Assessment of Internal Controls and Risks

Subrecipient Name _____ Date Prepared _____

Answer “Yes” if activity in question is performed by another county agency, i.e., County Finance office or the County Manager’s office. Each “No” answer indicates a potential weakness of internal fiscal controls. All “No” answers require an explanation of mitigating controls or a note of planned changes. If more space is needed use the back of the page.

CONTROL ENVIRONMENT**A. Management’s Philosophy and Operating Style**Yes N/A No

- ___ ___ ___ 1. Are periodic (monthly, quarterly) reports on the status of actual to budgeted performance prepared and reviewed by top management?
- ___ ___ ___ 2. Are unusual variances between budgeted revenues and expenditures and actual expenditures and revenues examined?
- ___ ___ ___ 3. Is the internal control structure supervised and reviewed by management to determine if it is operating as intended?

B. Organizational Structure

- ___ ___ ___ 4. Is there a current organizational chart defining the lines of responsibility?
- ___ ___ ___ 5. Has all management staff been sufficiently trained to perform their assigned duties?

C. Assignment of Authority and Responsibility

- ___ ___ ___ 6. Are sufficient training opportunities to improve competency and update employees on Program, Fiscal and Personnel policies and procedures available?
- ___ ___ ___ 7. Have managers been provided with clear goals and direction from the governing body or top management?
- ___ ___ ___ 8. Is program information issued by the Division of Social Services and other State and Federal agencies distributed to appropriate staff?

HUMAN RESOURCES**A. Control Activities / Information and Communication:**Yes N/A No

- ___ ___ ___ 1. Are personnel policies in writing?(Can be agency, county or state)
- ___ ___ ___ 2. Are personnel files maintained for all employees?
- ___ ___ ___ 3. Are payroll costs accurately charged to federal and state grants using time spent in each program?
- ___ ___ ___ 4. Are accurate, up-to-date-position descriptions available?
- ___ ___ ___ 5. Do all supervisors and managers have at least a working knowledge of personnel policies and procedures?
- ___ ___ ___ 6. Does each supervisor and manager have a copy or access to a copy of personnel policies and procedures?

Yes N/A No

- ___ ___ ___ 7. Does management ensure compliance with the agency's personnel policies and procedures manual concerning hiring, training, promoting, and compensating employees?
- ___ ___ ___ 8. Are the following duties generally performed by different people?
- ___ ___ ___ a. Processing personnel action forms and processing payrolls?
- ___ ___ ___ b. Supervising and timekeeping, payroll processing, disbursing, and making general ledger entries?
- ___ ___ ___ c. Personnel and:
- ___ ___ ___ 1) Approving time reports?
- ___ ___ ___ 2) Payroll preparation?
- ___ ___ ___ d. Recording the payroll in the general ledger and the payroll processing function?
- ___ ___ ___ 9. Is access to payroll/personnel files limited to authorized individuals?
- ___ ___ ___ 10. Are procedures in place to ensure that all keys, equipment, credit cards, cell phones, pagers, etc. are returned by the terminating employee?
- ___ ___ ___ 11. Is information on employment applications verified and are references contacted?

ACCOUNTS PAYABLE

A. Control Activities / Information and Communication:

Yes N/A No

- ___ ___ ___ 1. Has the agency established procedures to ensure that all voided checks are properly accounted for and effectively canceled?
- ___ ___ ___ 2. Do invoice-processing procedures provide for:
- ___ ___ ___ a. Obtaining copies of requisitions, purchase orders and receiving reports?
- ___ ___ ___ b. Comparison of invoice quantities, prices, and terms with those indicated on the purchase order?
- ___ ___ ___ c. Comparison of invoice quantities with those indicated on the receiving reports?
- ___ ___ ___ d. As appropriate, checking accuracy of calculations?
- ___ ___ ___ e. Alteration/mutilation of extra copies of invoices to prevent duplicate payments?
- ___ ___ ___ f. All file copies of invoices are stamped paid to prevent duplicate payments?
- ___ ___ ___ 3. Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?
- ___ ___ ___ 4. Is the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit memos?
- ___ ___ ___ 5. Are monthly reconciliation's performed on the following:
- ___ ___ ___ a. All petty cash accounts?
- ___ ___ ___ b. All bank accounts? i.e. .Trust Accounts, GA accounts etc.

Yes N/A No

6. Are the following duties generally performed by different people?
- ___ ___ ___ a. Requisitioning, purchasing, and receiving functions and the invoice processing, accounts payable, and general ledger functions?
- ___ ___ ___ b. Purchasing, requisitioning and receiving?
- ___ ___ ___ c. Invoice processing and making entries to the general ledger?
- ___ ___ ___ d. Preparation of cash disbursements, approval of them, and making entries to the general ledger?
- ___ ___ ___ e. Making detail cash disbursement entries and entries to the general ledger?
- ___ ___ ___ 7. Is check signing limited to only authorized personnel?
- ___ ___ ___ 8. Are disbursements approved for payment only by properly designated officials?
- ___ ___ ___ 9. Is the individual responsible for approval or check signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing?
- ___ ___ ___ 10. Are unused checks adequately controlled and safeguarded?
- ___ ___ ___ 11. Is it prohibited to sign blank checks in advance?
- ___ ___ ___ 12. Is it prohibited to make checks out to the order of "cash"?
- ___ ___ ___ 13. If facsimile signatures are used, are the signature plates adequately controlled and separated physically from blank checks?
- ___ ___ ___ 14. Are purchase orders prenumbered and issued in sequence?
- ___ ___ ___ 15. Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement?
- ___ ___ ___ 16. Are all records, checks and supporting documents retained according to the applicable (state or federal) record retention policy?

II. COMPLIANCE SUPPLEMENTS

ACTIVITIES ALLOWED OR UNALLOWED

Each federal and State program has specific activities that are allowed or that may be unallowed. An example of a common unallowable activity under State or federal programs would be payments for lobbying activities designed to influence State or federal legislation. Activities allowed or unallowed from each funding source are identified in grant documents, allocation letters, contracts and State and federal legislation.

Control Activities / Information and Communication:

Yes N/A No

- ___ ___ ___ 1. Before expenditures are made, does someone check that funds used for that service are allowable?
- ___ ___ ___ 2. Are expenditure/ reimbursement reports reviewed to ensure adherence to funding limits?

ALLOWABLE COSTS/COST PRINCIPLES

All costs charged to State or federal funds must be reasonable and necessary for the operation and administration of the programs for which funding is received. Some funding sources limit the amount of funding available for administration.

Control Activities / Information and Communication:

Yes N/A No

- | | | |
|-------------|----|--|
| ___ ___ ___ | 1. | Does the agency have an approved indirect cost plan to allocate cost between federal programs or between federal and state programs? |
| ___ ___ ___ | 2. | Has the approved plan been submitted to the Controller's office? |
| ___ ___ ___ | 3. | Are systems or other means established to prevent overpayments or payments to unauthorized subrecipients or individuals? |
| ___ ___ ___ | 4. | Are contract payments reconciled to the general ledger monthly? |
| ___ ___ ___ | 5. | Are payments to subrecipients required to be supported by a properly authorized request for reimbursement or request for an advance from the subrecipient? |
| ___ ___ ___ | 6. | Are expenditures to state or federal programs reviewed and approved by a person with approval authority? |
| ___ ___ ___ | 7. | Are personnel responsible for coding expenditures to state or federal programs properly trained to determine expenditures which are allowable and allocable to the federal programs? |
| ___ ___ ___ | 8. | Is the method of allocating cost understood by persons responsible for coding expenditures to state or federal programs? |
| ___ ___ ___ | 9. | Are comparisons made between prior year allowable services and current year allowable services? |

CASH MANAGEMENT

Control Activities / Information and Communication:

Yes N/A No

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|-------------|----|--|
| ___ ___ ___ | 1. | Are requests for reimbursements (1571's) based on actual cash basis? |
| ___ ___ ___ | 2. | Are reimbursements to subrecipients/contractors of agency compared to contracts or agreements periodically? |
| ___ ___ ___ | 3. | Are reimbursements to sub recipients/contractors of the agency deferred until after the related expenditure is incurred? |
| ___ ___ ___ | 4. | Are the following duties generally performed by different people? |
| ___ ___ ___ | | a. Preparing the Request for Reimbursement (1571)? |
| ___ ___ ___ | | b. Reviewing and approving the Request for Reimbursement (1571)? |

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Control Activities / Information and Communication:

Yes N/A No

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|-------------|----|---|
| ___ ___ ___ | 1. | Are fixed asset records maintained that adequately classify and identify individual items, as well as detailing their location? |
| ___ ___ ___ | 2. | If there are any missing assets, is a missing asset form completed? |

Yes N/A No

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|-----|-----|-----|-----|--|
| ___ | ___ | ___ | 3. | Does the individual responsible for fixed assets perform the following: |
| ___ | ___ | ___ | a. | Attach fixed asset tags? |
| ___ | ___ | ___ | b. | Track when assets are received? |
| ___ | ___ | ___ | c. | Track when assets are donated? |
| ___ | ___ | ___ | d. | Track when asset location changes are made? |
| ___ | ___ | ___ | e. | Track when assets are sold? |
| ___ | ___ | ___ | f. | Track when assets are stolen or vandalized? |
| ___ | ___ | ___ | g. | Track when assets are reassigned to a different organizational entity or to another agency? |
| ___ | ___ | ___ | 4. | Are all disposals of property approved by a designated person with proper authority? |
| ___ | ___ | ___ | 5. | Has agency management chosen and documented the threshold level for capitalization in an Internal Policy/Procedure Book? |
| ___ | ___ | ___ | 6. | Is someone assigned custodial responsibility by location for all assets? |
| ___ | ___ | ___ | 7. | Is access to the perpetual fixed asset records limited to authorized individuals? |
| ___ | ___ | ___ | 8. | Is there adequate physical security surrounding the fixed asset items? |
| ___ | ___ | ___ | 9. | Is there adequate insurance coverage of the fixed asset items? |
| ___ | ___ | ___ | 10. | Is insurance coverage independently reviewed periodically? |
| ___ | ___ | ___ | 11. | Is a fixed asset inventory taken annually? |
| ___ | ___ | ___ | 12. | Are missing items investigated and reasons for them documented? |

MATCHING, LEVEL OF EFFORT, OR EARMARKING

Control Activities / Information and Communication:

Yes N/A No

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|-----|-----|-----|----|---|
| ___ | ___ | ___ | 1. | Is appropriate action taken when matching or level of effort requirements are not being met as scheduled? |
| ___ | ___ | ___ | 2. | Are matching or level of effort requirements budgeted for state or federal financial assistance programs? |
| ___ | ___ | ___ | 3. | Are “in-kind” contributions and volunteer services properly documented? |

PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Control Activities / Information and Communication:

Yes N/A No

- | | | | | |
|-----|-----|-----|----|---|
| ___ | ___ | ___ | 1. | Does the accounting system prevent obligation or expenditure of State or Federal funds outside the availability period? |
| ___ | ___ | ___ | 2. | Is staff knowledgeable of grant cut-off dates? |
| ___ | ___ | ___ | 3. | Are unliquidated commitments cancelled at the end of the period of availability? |

PROCUREMENT AND SUSPENSION AND DEBARMENT

Control Activities / Information and Communication:

Yes N/A No

- | | | |
|-------------|----|---|
| ___ ___ ___ | 1. | Is there established segregation of duties between employees responsible for contracting; accounts payable and cash disbursing? |
| ___ ___ ___ | 2. | Is the contractor's performance including the terms, conditions, and specifications of the contract monitored and documented? |
| ___ ___ ___ | 3. | Do supervisors review procurement and contracting decisions for compliance with State and Federal procurement policies? |
| ___ ___ ___ | 4. | Are procedures established to verify that vendors providing goods and services under the award have not been suspended or debarred by the State or Federal Government? |
| ___ ___ ___ | 5. | Are there written policies for the procurement and contracts establishing : |
| ___ ___ ___ | a. | contract files, |
| ___ ___ ___ | b. | methods of procurement, |
| ___ ___ ___ | c. | contractor rejection or selection, |
| ___ ___ ___ | d. | basis of contract price, |
| ___ ___ ___ | e. | verification of full and open competition, |
| ___ ___ ___ | f. | requirements for cost or price analysis, |
| ___ ___ ___ | g. | obtaining and reacting to suspension and debarment certifications, |
| ___ ___ ___ | h. | other applicable requirements for Federal procurement, |
| ___ ___ ___ | i. | conflict of interest. |
| ___ ___ ___ | 6. | Is there written policy addressing suspension and debarments of contractors? |
| ___ ___ ___ | 7. | Is there a system in place to assure that procurement documentation is retained for the time period required by the A-102 Common Rule, OMB Circular A-110, award agreements, contracts, program regulations, and Social Services Record Retention schedule? |
| ___ ___ ___ | 8. | Are there proper channels for communicating suspected procurement and contracting improprieties? |
| ___ ___ ___ | 9. | Does management perform periodic review of procurement and contracting activities to determine whether policies and procedures are being followed? |

PROGRAM INCOME

Control Activities / Information and Communication:

Yes N/A No

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|-------------|----|--|
| ___ ___ ___ | 1. | Are collection policies and procedures clearly documented and communicated to personnel responsible for program income? |
| ___ ___ ___ | 2. | Are policies and procedures in place to ensure program income is deposited in the bank and reported as collected? |
| ___ ___ ___ | 3. | Are there policies and procedures to provide for the correct use of program income as directed by State or Federal program requirements? |
| ___ ___ ___ | 4. | Does the accounting system properly identify program income? |
| ___ ___ ___ | 5. | Are there proper channels for communicating suspected improprieties in the collection or use of program income? |
| ___ ___ ___ | 6. | Does management compare actual program income to budget and investigate differences? |

REPORTING

Through periodic reporting subrecipients provide some assurance that funds are being managed efficiently and effectively to accomplish the objectives for which the funds were provided. State and federal program requirements call for a variety of financial, performance and special reporting.

Control Activities / Information and Communication:

Yes N/A No

- | | | |
|-------------|----|---|
| ___ ___ ___ | 1. | Are personnel responsible for submitting required reporting information adequately trained? |
| ___ ___ ___ | 2. | Is the DSS-1571 submitted to the Department of Health and Human Services Office of the Controller by the twentieth calendar day of the month? (or the first workday after if the twentieth is a non-business day). |
| ___ ___ ___ | 3. | Does the agency comply with proper record retention schedules issued by the N. C. Department of Cultural Resources, Division of Archives and History entitled "Records Retention and Disposition Schedule" for the Department of Social Services (Revised 10/7/2002); and DHHS Policy contained in the current revision of the following letters from the Office of the Controller "Records Retention And Disposition Schedule Memorandum and "Records Retention And Disposition Schedule Spreadsheet"? |
| ___ ___ ___ | 4. | Are salaries paid at the approved rate in accordance with the county pay plan? |
| ___ ___ ___ | 5. | Are salaries for all county DSS employees reported on the DSS-1571. |
| ___ ___ ___ | 6. | Are fringe benefits claimed at the authorized rate? |
| ___ ___ ___ | 7. | Are Day sheets maintained by all staff having direct client contact when mandated and performing client-related activities in more than one program? |

SUBRECIPIENT MONITORING

If Federal or State funds are subgranted by the agency, the agency has the responsibility, as required by Federal and State regulations, to develop procedures to monitor that funds are appropriately spent by its subrecipient. The requirement to monitor applies only in instances where the subrecipient is granted the funds as financial assistance, and does not apply to purchase of service contracts and agreements. For example, an agreement where a subrecipient will determine eligibility for Crisis Intervention Program (CIP) payments must be monitored. An agreement where a contractor provides maintenance to computer systems does not require monitoring, even if Federal or State funds will be used to support the contract.

Control Activities / Information and Communication:

Yes N/A No

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|-------------|----|--|
| ___ ___ ___ | 1. | Is a master list maintained of all Contractors? |
| ___ ___ ___ | 2. | Is the master list of subrecipients/contracts updated as contracts are signed or terminated? |
| ___ ___ ___ | 3. | Do contracts specify that subrecipients obtain an audit in accordance with the "Single Audit Act" (Either OMB A-128, A-110 or A-133)? |
| ___ ___ ___ | 4. | Are findings identified in audit reports on subrecipients entered into a tracking system or otherwise identified for an audit resolution process? |
| ___ ___ ___ | 5. | Are responses from subrecipients/Contractors indicating action to be taken on findings entered into a tracking system or otherwise identified for an audit resolution process? |
| ___ ___ ___ | 6. | Are audit findings identified in audit reports for subrecipients assigned to appropriate personnel to resolve the findings? |

- ___ ___ ___ 7. Is the audit resolution process periodically reviewed to determine that audit findings have been resolved?
- ___ ___ ___ 8. Is the monitoring guide up-to-date and does it cover all aspects of the program which would not be included in the compliance audit of the program?
- ___ ___ ___ 9. Are monitors adequately trained to evaluate the programs administered by subrecipients/Contractors?
- ___ ___ ___ 10. Do monitors use a monitoring guide?
- ___ ___ ___ 11. Do monitors consider factors such as size of grants, prior monitor findings, compliance audit findings, the size of the organization receiving the grant, and the experience of the organization in administering the program in selecting subrecipients for monitoring visits?
- ___ ___ ___ 12. Are monitor workpapers, findings, and resolutions reviewed by appropriately designated officials?

Special Tests and Provisions

The specific requirements for Special Tests and Provisions are unique to each Federal and State program and are found in the laws, regulations, and the provisions of contract or grant agreements pertaining to the program. For programs listed in the annual State Compliance Supplement, the compliance supplements specify the criteria for Special Tests and Provisions. Requirements that are in all programs are found in the annual crosscutting requirements document. There may be additional compliance requirements that are not based in law or regulation, e.g., actions that were agreed to as part of the audit resolution of prior audit findings or in corrective action plans to remedy of issues identified as a result of monitoring reviews.

Control Activities / Information and Communication:

Yes N/A No

- ___ ___ ___ 1. Are compliance supplements reviewed annually by appropriate staff?
- ___ ___ ___ 2. Are the crosscutting requirements reviewed annually by appropriate staff?

Conflict of Interest

NCGS 143.6-2 (b1) Every grantee shall file with the state agency or Department disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of it's board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of the board or other governing body, from the grantee's disbursing of state funds and shall include actions to be taken by the grantee or the individual or both to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing state department or agency may disburse the grant funds.

Control Activities / Information and Communication:

Yes N/A No

- ___ ___ ___ 1. Does the agency require conflict of interest policies on all state/federal funds sub granted to non profit agencies?
- ___ ___ ___ 2. Are all contracts in compliance with state regulations?

III. SINGLE AUDIT

- ___ ___ ___ 1. Is the agency audited on a yearly basis by an objective public accounting firm?
- ___ ___ ___ 2. Does appropriate agency staff review the findings of the previous years' audit as preparation for current year audit?

IV. DAY SHEET TRAINING

Yes N/A No

- ___ ___ ___ 1 Does the agency provide Day sheet training for all appropriate staff?
If so, please attach copy of the sign up sheets for all training sessions.

V. ADDITIONAL INFORMATION/ EXAMINATIONS OF AGENCY

Responses of "No" in this section do not signify internal control weaknesses to be considered in overall evaluation of subrecipient.

Yes N/A No

- ___ ___ ___ 1. Has the agency undergone any other examination, monitoring, or investigation (either by an external entity or by internal audit staff) during the past year? **If so, please attach a copy of any resulting reports.**
- ___ ___ ___ 2. Has the agency undergone any reviews by the Division of Social Services in the past year? **If so, please indicate the name of the review.**
- ___ ___ ___ 3. Does the agency have a functioning internal audit staff to review the operations of the agency?
- ___ ___ ___ 4. Does the internal audit staff report to an official independent of the operations under review?
- ___ ___ ___ 5. Is there an internal audit of program income for Federal or State programs?

CERTIFICATION

I hereby certify that the information presented in this self-assessment of internal controls and risk is true, accurate, and complete, to the best of my knowledge.

Agency Name

Signature, **Agency Director (REQUIRED)**

Date